



Global Employer Services

Individual tax

Company bicycle and upcoming legislative changes

Speed pedelec included in company bicycle definition

Following the law of 22 October 2017, a Circular letter was published on 16 January 2018 ([Dutch](#) | [French](#)) confirming that a **speed pedelec** should be considered a company bicycle for income tax purposes (in line with the legislative changes dated 22 October 2017).

What is a company bicycle?

As of tax year 2018 (i.e. income year 2017), the beneficial tax and social security treatment of a company bicycle is applicable to:

1. A regular bicycle with two or more wheels and pedals powered through muscle force (*e.g. city bike, mountain bike, race bike, folding bikes, etc.*)

Not included: hover boards, roller-skates, Segways

2. A motorised bicycle with two, three or four wheels and pedals equipped with an auxiliary electric propulsion (of max. 1kW) for pedal assistance for up to a maximum of 25 km/h (*e.g. e-bike*)

3. **New:** A speed pedelec with 2 wheels and pedals equipped with an auxiliary electric propulsion (of max. 4kW) for pedal assistance for up to a maximum of 45 km/h

Adding the speed pedelec provides an attractive mobility alternative for employee commutes, with its ability to cover longer distances compared to a normal bicycle or E-Bike.

Alignment of tax and social security treatment: Draft Royal Decree

The Council of Ministers approved a draft Royal Decree on 14 December 2017 to align both the social security and tax treatment of a company bicycle.

The Royal Decree still needs to be signed and published in the Belgian Official Journal, but will likely enter into force as of tax year 2018 (i.e. income year 2017).

Beneficial tax and social security treatment

If an employer provides a company bicycle to an employee or director, who (regularly) uses it for commuting purposes:

- The company bicycle is fully tax exempt in the hands of the employee
- **New:** No social security contributions will be due on the private use of the company bicycle
- The mileage allowance for commuting purposes with a bicycle is exempt from tax and social security contributions for up to a maximum of EUR 0.23 (assessment year 2018)

A company bicycle and mileage allowance combination is possible (with applicable tax and social security exemptions)

From an employer cost perspective, the company bicycle is fully deductible from corporate income tax, with a 120% corporate income tax deductibility for company bicycles acquired through a financial lease or are fully purchased. However, the 120% deductibility is expected to be withdrawn as of income year 2020, following the recent corporate income tax reform.

There are no legislative changes in terms of VAT treatment, with current rules remaining applicable.

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

- Frédéricq Jacquet, frjacquet@deloitte.com, + 32 2 600 65 29
- Timothy Bruneel, tbruneel@deloitte.com, +32 9 393 74 62

For general inquiries, please contact:
bedeloittetax@deloitte.com, + 32 2 600 60 00

Be sure to visit us at our website:
<http://www.deloitte.com/be/tax>

Deloitte Academy

Tax Tools and Publications



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Belgium.

[Subscribe](#) | [Unsubscribe](#)